



Illinois Heartland Library System

TO: IHLS Board
 FROM: Leslie Bednar
 DATE: April 24, 2020
 RE: Enterprise Fleet Management

Background

IHLS Operations and Finance staff are working together to maximize savings both in staff time and money in our largest General fund department. Delivery of library materials is the one service with the potential to touch every one of our 524 member libraries. As we look to additional service enhancements, we are aware even successful programs can benefit from another look.

This presentation was first shared in April with the Finance and Executive Committees, respectively. The Finance Committee moved to send to the Executive Committee providing it met additional state bid requirements. The State of Illinois participates in cooperative purchasing with Sourcewell, a community of government agencies based in Minnesota. Enterprise Fleet Management is a verified participant in Sourcewell, with a contract through July 24, 2022. The statutory provision in the Illinois Governmental Joint Purchasing Act at [30 ILCS 525/1](#) et seq allows for joint purchasing through a governmental cooperative and is not limited to an Illinois government.

Activity

In August 2019, IHLS staff met with representatives from Enterprise to begin discussions of a proposal for fleet management. After reviewing our current fleet management model with Enterprise, we began to discuss replacement options and analyze future impact. After a series of meetings, it became evident to IHLS staff the benefits of a potential partnership with Enterprise.

In the attached Enterprise Fleet Synopsis, you will find the budget proposal for FY2020 and FY2021 along with a 5-year outlook for the entire IHLS fleet. Our Finance Department completed its own internal analysis of having an IHLS-owned versus Enterprise-owned fleet. Below is a summary of these results.

Cost Analysis of Delivery Van	<u>IHLS Estimate</u>	<u>Enterprise Estimate</u>
Cost to Purchase Van	\$ 30,000.00	\$ 29,325.00
Cost to wrap Van	\$ 1,000.00	included
Cost of maintenance	\$ 1,524.00	\$ 1,448.00
Cost of fuel	\$ 4,740.00	\$ 4,503.00

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

Maintenance App		\$ 84.00
GPS Tracking Maintenance Fee	\$ 264.00	\$ 288.00
Time Spent and Cost of Website to sell Van	\$ 700.00	included
Total Annual Cost to IHLS	\$ 38,228.00	\$ 35,648.00

Additional cost savings that are not considered in the above table: IHLS staff time for ordering vans, arranging pickup of vans, registering and obtaining the license, and managing the fixed asset. These items will reflect a savings of staff time for both the Operations and Finance Departments.

Other benefits that IHLS staff see value in a future partnership with Enterprise services include:

- Enterprise staff's professional skills and expertise in the acquisition and disposal of vehicles to maximize cost savings
- Enterprise purchases are in accordance with the Governmental Joint Purchasing Act
- Utilization of the Enterprise maintenance app for the tracking of vehicle maintenance schedules
- Ease of installation of the Enterprise GPS tracking units
- Time devoted to van route rotation analysis
- Time devoted to arranging van wrap installation
- Enterprise maintenance and fuel preferred vendor discounts
- Budgetary impact of the total number of vehicles needed
- Access to Enterprise vehicle(s) when needed

Recommendations

Based on the Enterprise proposal and our internal analysis, we recommend the board:

- Approve master lease agreement with Enterprise Fleet Management effective May 2020**
- Approve transfer of FY2020 budgeted funds from Capital Fund to General Fund for lease agreements for the budgeted FY2020 Capital Fund expenditures of 3 delivery vans and 1 staff vehicle**

In the future, the lease costs will be reflected in the General Fund budget. IHLS will work in a close partnership with Enterprise to determine the future replacement schedules for minimal budgetary impact. IHLS intends to follow the outlined replacement schedule as listed on the attached Enterprise Fleet Synopsis.

Thank you for your consideration, and please let me know if you have any questions.